

Message Text

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21

ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 AF-10 ARA-16 EA-11 NEA-14 RSC-01

OIC-04 SP-03 AID-20 EB-11 NSC-07 CIEP-03 TRSE-00

SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-03

INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 AGR-20

DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15 DRC-01

/265 W

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R 040725Z SEP 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 3649

INFO USMISSION USUN

LIMITED OFFICIAL USE VIENNA 7640

E.O. 11652: N/A

TAGS: AORG AFIN APER UNIDO UNDP

SUBJECT: UNIDO FINANCIAL SITUATION

REF: (A) VIENNA 7585; (B) VIENNA 7368

1. FOLLOWING ARE MAIN POINTS OF DAVIDSON'S
PRELIMINARY RESPONSE TO ABDEL-RAHMAN'S LETTER
CONCERNING UNIDO'S FINANCIAL SITUATION, PASSED ON
TO US BY SECRETARIAT SOURCE:

A. RE GOHOREL'S RECRUITMENT FREEZE, IT WOULD BE
UNWISE FOR UNIDO TO RETURN TO "BUSINESS AS USUAL"
BY RESUMING FULL RECRUITMENT BEFORE MEASURES AGREED
UPON TO BRING UNDO'S BUDGET INTO BALANCE.

B. DAVIDSON INTENDS TO GO TO ACABQ IN SEPTEMBER
WITH REQUESTS FOR SUPPLEMENTARY APPROPRIATIONS FOR
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1974-75 TO COVER DIFFERENCE IN COSTS DUE TO RATES

OF EXCHANGE AND INFLATION MORE UNFAVORABLE THAN USED
IN CALCULATING CURRENT BIENNIAL BUDGET.

C. THE ACCUMULATED SIS OVERHEAD CREDIT BALANCE OF
\$152,000 MAY BE APPLIED TO REDUCE UNIDO'S OVERHEAD
DEFICIT.

D. UNIDO SHOULD CHARGE AND CREDIT TO OVERHEAD ACCOUNT
THE OVERHEAD COSTS OF PROJECTS FINANCED FROM UNIDO
GENERAL TRUST FUND ON SAME BASIS AS UNDP PROJECTS.

E. DAVIDSON RESERVED DECISION ON PROPOSAL CONTAINED
PARA 11 OF ABDEL-RAHMAN'S LETTER THAT SOME EXPENSES
NOW CHARGED TO OVERHEAD ACCOUNT SHOULD BE TRANSFERRED
TO THE REGULAR BUDGET.

F. AS REGARDS ABDEL-RAHMAN' S REQUEST THAT CERTAIN
REGULAR BUDGET POSTS RESERVED FOR RECRUITMENT TILL
1975 SHOULD NOW BE UNFROZEN, DAVIDSON'S COMMENT WAS
THAT THE DELAYED RECRUITMENT FACTOR APPLIED BY ACABQ
REQUIRES THAT RECRUITMENT TO NEW POSTS BE SPREAD
EVENLY OVER THE BIENNIUM AND THAT THE UNIDO BUDGET
DOES NOT, THEREFORE, PROVIDE SUFFICIENT FUNDS TO PERMIT
RECRUITMENT FOR THESE POSTS IN 1974.

G. IN GENERAL, DAVIDSON TAKES THE POSITION THAT
CONTINUING LARGE DEFICITS ON UNIDO'S PART CANNOT BE
DEFENDED. STIBRAVY

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Message Attributes

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Draft Date: 04 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974VIENNA07640
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740244-0610
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ISecure: 1
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Previous Handling Restrictions: n/a
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30 JUN 2005

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